Intrastate Funding Formula (IFF) – Frequently Asked Questions – May 27, 2026

Question	Answer
What is the Intrastate Funding Formula (IFF)?	In targeting limited federal Older Americans Act (OAA) funding to the populations with the greatest needs, states are required to develop an IFF for distribution of certain OAA Title III program funds within the state. The IFF supports the defined Planning and Service Areas (PSAs) and designated Area Agencies on Aging (AAAs) by taking into account the geographic distribution of older adults in the state, as well as the concentration of older adults with the greatest economic and social needs (with particular attention to low-income minority older individuals per the Administration for Community Living (ACL). The state formula for distribution of OAA Title III allocations must be developed in accordance with ACL guidelines consistent with the OAA final rule and approved by the Assistant Secretary for Aging.
Why is the IFF being changed?	Federal and state law require that California change the current IFF. The IFF has not been changed in 30+ years while California's demographics have shifted dramatically over the past three decades. This outdated formula was first addressed in 2022 in scoping meetings the California Department of Aging (CDA) led as part of its robust California 2030 (CA2030) stakeholder process, followed by introduction, deliberation and enactment of SB 1249 (Chapter 337, Statutes of 2024), and culminating with 18 months of consultation with the state's 33 AAAs and the California Association of Area Agencies on Aging (C4A). During this period, CDA was put on notice by ACL that California's funding formula is outdated and in need of review and update. ACL recommends periodic updates to each state's IFF. Additionally, SB 1249 (Chapter 337, Statutes of 2024) requires on or before September 30, 2026, in consultation with AAAs and stakeholders, the department shall submit to the Legislature and the federal ACL an update to the IFF, based on the revised AAA designations and PSA map boundaries, and other factors and weights as required under state and federal statute and regulations.

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What are the proposed new factors and weights?	60+ Population (20%) 60+ Low Income (at or below 200% of Federal Poverty Limit (FPL) (20%) 60+ Racial/Ethnic Minority (20%) 60+ with a Disability (20%) 60+ Geographic Isolation (20%)
Are changes in funding due to a state budget cut?	No, there are no proposed budget cuts to any Older Americans Act (OAA) or Older Californians Act (OCA) funding.
CDA plans to introduce the proposed IFF to the Legislature for review and comment during the 2025-26 fiscal year. Will that occur through the budget process, or is there an intention to introduce a bill to amend the IFF in state statute?	This will occur through the budget process as proposed trailer bill language.
When does the new IFF go into effect?	According to CDA's implementation timeline, the new IFF will go into effect on July 1, 2029, followed by a phased implementation over two years, taking full effect on July 1, 2031. By consensus, the 33 AAAs, C4A and CDA agreed to phase in over two years any reductions or increases to mitigate initial changes.
What stakeholder engagement has CDA conducted?	CDA established a statewide CA2030 steering committee that included three AAA member representatives, C4A, CWDA, CSAC, the California Foundation for Independent Living Centers (CFILC) and the California Commission on Aging (CCOA). This group met 10 times and produced a final report. In addition to the steering committee, CDA held 15 webinars starting in June 2023 and concluding in October 2025. CDA now holds quarterly implementation meetings with all 33 AAAs and C4A with meetings in January 2026 and March 2026. There was an in-person half-day working session with CDA, C4A and all AAA Directors on September 13, 2024.

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	CDA elicited and shared feedback from a AAA statewide survey in October 2024. Results from the Microsoft Calculator survey were shared in June 2025. The first iteration of the proposed IFF was shared for feedback on August 18, 2025. The second, updated iteration was shared with C4A board members on November 20, 2025 and with all AAAs January 6, 2026. CDA has regularly shared updates on implementation at the six MPA Stakeholder Committee meetings. In April-May 2026, CDA solicited public input on the proposed IFF and received 250 public comments. The CA2030@aging.ca.gov inbox has been open for feedback since 2024. Visit CDA's SB 1249 Implementation website for meeting recordings, PowerPoint slides, and other details.
How is the state planning to increase the overall funding pool for AAAs to account for growing service demand and the increasing aging population?	PSAs rely primarily on two fund sources to deliver AAA services: federal Older Americans Act (OAA) and state General Fund (GF), typically under the Older Californians Act (OCA). Neither fund source is being increased at this time. Local area plans will continue to focus limited resources on individuals in the community with the greatest social and economic needs. The state budget process – for CDA and stakeholders, begins each January and concludes in June each year. Any budget adjustments must be approved by the Legislature and signed into law by the Governor.
Why is CDA redistributing resources within a fixed pool, creating a system of winners and losers?	For over 50 years, CDA has worked within a "fixed pool" of combined state and federal funds to determine the annual allocation amount for the AAA network and each of the state's 33 designated AAAs. Because the IFF has not been updated in 30+ years, there will be adjustments upon initial implementation in July 2029 due to some communities being under-resourced in prior decades. CDA will make an effort to mitigate these adjustments with a hold harmless provision coupled with a two-year phase in period that concludes at the start of the 2031-2032 state fiscal year.

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Does the IFF advance California's Master Plan for Aging (MPA)?	From the Governor's Executive Order N-14-19 to SB 228 (Jackson) to dozens of MPA initiatives over the last five years, modernizing the aging network has been a consistent priority for the Administration, the Legislature, and stakeholders. Aligning the IFF with populations with the greatest social and economic needs ensure equity statewide.
Will CDA request an ongoing state budget augmentation to offset any losses that may occur due to changes to the IFF?	There are no current plans to request a budget augmentation as overall funding for the AAA network is not being cut or reduced.
How will the state ensure funding so AAAs can deliver a competent level of core services? How is it going to account for it in the funding formula?	CDA, in consultation with AAAs and C4A, agreed to apply a Fiscal Year 2021-22 hold harmless level so no AAA falls below their funding level received in FY 2021-22. This hold-harmless will provide a predictable base funding amount for all PSAs.
What funding formula or combination of formulas has the State identified that it views would work well in California? Why do you think this is a formula that would make sense for our State?	CDA will use a simplified funding formula that includes five equal factors, weighted accordingly. These factors were developed in consultation with AAAs and C4A and have been agreed upon by the network as key areas (age, disability, income, race/ethnicity and geographic isolation). By consensus, the AAAs and C4A agreed to use the same formula for all fund sources (OAA, state GF, future one-time dollars) except for Long-Term Care Ombudsman and Health Insurance Counseling and Advocacy Program (HICAP). Several formula options were modeled during the stakeholder engagement process, and the proposed formula is the result of individual responses and collective feedback from the AAAs.
What is the new base?	When the proposed IFF is introduced in July 2029, all AAAs will begin receiving $250,000 in annual administrative base funding with funds generated from existing federal and state administrative funds. Base funding amounts could be subject to change should funding levels fluctuate or if the number of PSAs in the state decreases or increases.
How was the new base determined?	By consensus, the 33 AAAs, C4A and CDA agreed to increase base administrative funding from $150,000 to $250,000 per AAA annually. The increase is made

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	possible by reallocating existing federal and state administrative dollars.
How were the new factors determined?	By consensus, the 33 AAAs, C4A and CDA agreed to the five-factor formula. Feedback was gathered through a calculation modeling tool, surveys, in person collaboration, a series of webinars, and a dedicated email inbox for questions. These factors are reflective of trends in the nationwide AAA network and align with recently updated IFFs in other states. These factors comply with OAA requirements to prioritize older adults with the greatest social and economic needs.
How is CDA defining equity in the context of resource allocation—by geography, distribution, or another measure?	Equity is defined using the factors of 60+ population, 60+ income (200% FPL), 60+ geographically isolated, 60+ racial/ethnic minority, and 60+ with a disability. These factors target funding for the State's older adults with the greatest social and economic need.
What financial or structural supports are under consideration for AAAs projected to face significant revenue losses?	The department will use the FY 2021/22 hold harmless to ensure a predictable base level of funding for all PSAs. Additionally, CDA is committed to a two-year phase in to mitigate any reductions, providing AAAs with several years to plan for the change (2026, 2027, 2028 and 2029) and two additional fiscal years to adjust to the change (2029-30 and 2030-31).
What is the proposed carry-over policy for Federal Funds?	AAAs that spend 90% or more of their federal program specific funding will be allocated unspent federal funds (e.g. "Carry-over") into the next fiscal year. AAAs that spend less than 90% of federal program specific funds must forfeit their remaining unspent funds. All forfeited funds are pooled and redistributed to AAAs that spent 90% or more of their funding. Carry-over funds are allocated based on the IFF, distributed in the first half of the following year, and repurposed based on specific program categories. By consensus, the 33 AAAs, C4A and CDA agreed to redistribute any unspent funds in the network (Carry-over) to AAAs that spend 90% or more of their allocation.
Why is CDA increasing the annual amount of unspent funds an AAA can retain from 5% to 10%?	CDA is proposing a new approach to the Carry-over funding allocation process which holds AAAs accountable for high expenditure rates. Feedback from AAAs indicated a desire to place Carry-over funding with AAAs that demonstrated the capacity to spend them. Currently, all AAAs retain 5% of their unspent funds regardless of their

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	expenditure rates. This practice will end. This new model holds AAAs accountable for spending 90% of their funds to receive Carry-over.
Is there a hold-harmless on administrative funds?	There is not a hold-harmless on administrative funds, but there is an overall increase in base funding amounts from $150,000 annually per AAA to $250,000 annually for every AAA.
Why hasn't CDA drafted regulations to adopt changes in the IFF?	Once the IFF is enacted in statute, CDA will embark on a public, transparent regulatory process. This will include public posting of any proposed changes, public comment period, public posting of summation of public comments received, public hearing, and public release of new regulations.
Can I view IFF changes by county? By PSA?	Yes, this information is publicly available on CDA's website: aging.ca.gov/SB_1249_Implementation/Funding_Formula/
Will CDA model various weights and measures to illustrate how the changes would impact the AAAs in a spreadsheet format using existing PSA maps, and once again after any change has been identified but before the change is implemented?	Yes, a calculator tool was shared with the network that allowed for modeling. Individual AAAs entered their own data and were able to see actual impacts to their areas. CDA also modeled various scenarios to the group and shared the models in a series of recorded webinars available on the CDA website.
Why is CDA changing the IFF before finalizing PSA designations?	SB 1249 (Chapter 337, Statutes of 2024) requires on or before September 1, 2026, in consultation with AAAs and stakeholders, the department shall submit to the Legislature and the federal ACL an update to the IFF, based on the revised AAA designations and PSA map boundaries, and other factors and weights as required under state and federal statute and regulations. SB 1249 sequenced the funding formula change prior to any changes in designations to allow the network time to review projected funding levels to make informed decisions about their local areas.
What data and methodology did CDA use to develop the new	CDA reviewed national trends across all 50 State Units on Aging, interviewed and worked with ACL, reviewed CA Department of Finance and U.S. Census data across all

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IFF? What steps were taken to ensure the formula is fair?	58 California counties, interviewed and surveyed AAAs, modeled several potential IFF structures, and revised initial IFF models based upon feedback. The proposed formula now proportionately emphasizes 60+ population, 60+ income (200% FPL), 60+ geographically isolated, 60+ racial/ethnic minority, and 60+ with a disability. Each of these factors is tied to a validated state or national data set.
How does the formula account for regional economic and cost-of-living factors, cost of service-delivery, cost of labor, advanced age (75+), social isolation, and documented unmet need and waitlists?	Each of the 33 AAAs conducts its own local needs assessment and develops a corresponding local area plan to address unique regional factors. AAAs have the flexibility to offer services "in-house," contract out with vendors, or some combination of the two to address service delivery and labor costs. Advanced age (75+) was considered by AAAs as a factor but was not selected, due, in part to the fact that older adults age 60+ are eligible for OAA services, which was selected as a factor. Social isolation is widespread but difficult to measure with valid data sets. AAAs did consider "live alone" status as a potential factor but ultimately it was not selected. According to ACL, the OAA reaches approximately 1 in 6 older adults in the United States, which equates to roughly **15%** to **17%** of the older adult population. According to Kaiser Family Foundation, because OAA funding is limited, millions of older adults who meet the eligibility criteria for services still experience unmet needs. Finally, AAAs have discretion to form waitlists and many elect to do so while others do not maintain waitlists. Various programmatic, operational, contractual and fiscal factors influence waitlists; there is no statewide standard.
Will CDA conduct a comprehensive cost of doing business study to determine the true cost of delivering core services, administering programs, and maintaining an effective AAA infrastructure across different PSA types?	This is outside the scope and intent of OAA funding; however, CDA's CA2030 initiative produced extensive benchmarking research on AAAs showing wide variation based on local priorities and local decisions. Further, AAAs receive funding on a targeted basis not a universal or "per client" basis. California's model allows for flexibility in service delivery with some AAAs operating out of a single county or city structure, some organized as a nonprofit, and others functioning as a regional Joint Powers Agreement. AAAs have local autonomy to direct programs and services to individuals as determined by

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	their local needs assessment, area plan, and funding availability.
How can you ensure the formula works as intended?	Tying the IFF allocations directly to five factors backed by validated data sets, e.g. U.S. Census Data, ensures equitable distribution statewide and prioritizes the populations with the greatest social and economic needs. Each year, the formula is re-calculated to account for any year-over-year changes though the data sets do not routinely shift dramatically in 12- month increments.
How will the funding formula account for the higher costs of providing services in rural areas? How will the state ensure that rural AAAs receive adequate funding to cover the unique challenges of service provision, such as transportation and staffing shortages?	Both the OAA and the OCA require special consideration for rural areas. The proposed factors and weights include a 60+ geographically isolated factor to explicitly address the unique needs and challenges of service delivery in rural areas. However, the formula is not a cost-based allocation – actual labor and transportation costs are not reported by AAAs to CDA nor are AAAs directly reimbursed for their actual service unit costs.
Does the new IFF allow for local control?	Yes, local planning, local service delivery, local oversight and local accountability remain unchanged.
Did CDA test alternative scenarios?	Yes, CDA modeled multiple scenarios in consultation with AAAs and C4A and each draft iteration was shared with all 33 AAAs and C4A. All versions are posted on the CDA website, included in recordings, and/or available in PowerPoint presentations.
Why are PSAs with growing aging populations seeing cuts to funding?	All California communities are experiencing growth among older adults though the growth is more dramatic in parts of the state. Older adult population is one of five factors used in the funding formula. The formula is designed to account for indicators that help identify areas with the greatest social and economic need among older adults. Because all five factors are considered together, increases in the aging population alone do not automatically result in increased funding.
Why does funding follow geography instead of need?	PSAs and their designated AAAs are assigned to a specific, defined, geographic coverage area. Each entity identifies local needs and targeted populations for their respective area. Unlike other state and federal programs, there is not an individual caseload with dedicated funding.

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	The five factors selected by consensus reflect both geographic reach and the social and economic needs of the population.
How can CDA ensure that funding shifts do not inadvertently defund PSAs that serve a high percentage of residents who fall into the income gap? What safeguards will be implemented to prevent unintended harm to high-need communities?	The department will use the FY 2021/22 hold harmless provision to ensure a predictable base level of funding for all PSAs. AAA programs and services are not income-based; individuals 60+ are eligible for AAA programs and services regardless of their financial status though ACL encourages focusing on those with the greatest economic need.
What impact analyses were conducted to demonstrate that this redistribution will not adversely affect counties?	The updated statewide IFF does not single out any type of AAA governance model. The proposed allocations are based on five geographic and social factors, not on whether a AAA is county-based, nonprofit or a JPA.
How were equity considerations incorporated for counties with high concentrations of vulnerable older adults?	CDA balances the importance of the five factors to ensure that vulnerable older adults are equitably considered and included in the formula. Specifically, the formula takes into account race/ethnicity, disability status, poverty level, and geographic isolation as equity factors.
Will CDA take a pause for a validation step to confirm the formula is working equitably across all of California?	CDA has built time into the process to allow all AAAs to plan and adjust to the new formula. There will be no action taken for three state fiscal years, allowing AAAs adequate time to plan and adjust (FY 2026-27, FY 2027-28 and FY 2028-29). Thereafter, there will be a two-year phase in FY 2029-30 and FY 2030-31. Full implementation of any proposed changes will not occur until July 1, 2031. Following full implementation in 2031, CDA will be able to assess the full impact.
Will CDA conduct additional engagement with county providers?	The County Welfare Directors Association (CWDA) and the California State Association of Counties (CSAC) have been full partners in CDA's CA2030 initiative since September 2022 and on an ongoing basis. CDA meets regularly with all AAAs, including any AAAs directly affiliated with a county. In addition, CDA periodically presents to CWDA and CSAC on issues related to AAAs,

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	the Master Plan for Aging, and other aging-related topics. CDA does not routinely communicate with county executives or county supervisors unless requested to do so or as needed; this is the purview of the AAA to maintain communication with their local government partners.
Will the Meals on Wheels program be discontinued?	Nutrition is a core AAA service with funding provided by both the federal OAA and state General Fund. In fact, nutrition remains the highest funded AAA program statewide with a proposed 2026-27 Fiscal Year Budget of $234.9 million. Each AAA selects its own nutrition providers and partners based on their own local needs. There is nothing in the proposed IFF that directly impacts the Meals on Wheels program.
If PSAs are merged or consolidated, how will the state address base administrative funding? Will administrative costs be adjusted for larger PSAs?	All PSAs will receive an additional $100k annually, bringing administrative base funding for each PSA up to $250k annually. Whether a PSA is one small county or a regional JPA, the base administrative funding is fixed at $250k annually. Remaining administrative funding per program will be allocated based on the final factors and weights.
Is the state expecting counties to increase their local share of costs for PSA funding? If so, how will this affect less resourced counties that cannot contribute additional funding? How will the state ensure that counties with lower revenues aren't unfairly disadvantaged in the funding formula? Will there be adjustments or exceptions for counties that cannot afford to increase their local share of costs? How will the state account for disparities between	PSAs will be responsible for contributing match at the same OAA percentage amounts that are currently required. CDA is committed to a public, transparent process that will clearly explain each PSA's proposed funding allocation. CDA will provide regular Technical Assistance as the formula iterates.

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counties with varying revenue and tax bases?	
Will PSAs have time to adjust their area plans in response to any funding changes, and how will the state support this transition?	Currently, all AAAs and the State Unit on Aging are in the same four-year cycle: 2025 – 2029. Any changes to the IFF must be approved by the California State Legislature and the federal ACL this year, allowing all PSAs time to plan for and adjust to the next area plan cycle which commences in 2028.
What is the impact on per capita funding for older adults in each PSA as a result of this proposed change?	The OAA provides limited funding to support older adults with the greatest social and economic needs. The funding formula is not intended to serve all individuals over the age of 60 in a given PSA. For context, in FY 2024-25, California's AAA network served just over 1 million unduplicated clients annually, roughly 1:9 older Californians. Each AAA conducts a local needs assessment and develops a local area plan to target limited resources to the population of greatest social and economic need.
Will CDA consider lowering the weight of "60+ with a Disability" since available data doesn't reliably count all disabilities? What data source did CDA use?	California is proud to align aging and disability. The 60+ disability data used in the IFF are sourced from the Aging, Independence, and Disability Program Data Portal. These data are maintained by ACL and are extracted from the American Community Survey (U.S. Census Bureau). This is considered a valid and reliable national data set.
Will CDA consider adding the California Elder Index as a factor?	The California Elder Index was included as an option for consideration and was not adopted by consensus by AAAs or C4A.
Will CDA consider increasing the weight of "60+ Low Income" as a proxy for both race and disability?	No. Race/ethnicity, poverty and disability are distinctly different factors and each one stands on its own as a social determinant of health. The OAA requires that SUAs include a minority specific factor. A proxy would not meet this requirement.
Will CDA include sexual orientation, gender identity, sex characteristics, and HIV status as factors?	The five proposed factors have been determined based on majority consensus from the AAAs and C4A. Sexual orientation, gender identity, sex characteristics, and HIV status were considered as factors along with other options. Ultimately, the decision was made to streamline the formula with just five factors.
Will CDA consider incorporating actual population scale and	The formula accounts for population scale by weighting 60+ population, 60+ income (200% FPL), 60+ geographically isolated, 60+ minority, and 60+ with a

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service demand into the formula so that funding reflects the number of older adults served, not solely percentage growth or geography?	disability. SB 1249 requires CDA to adopt statewide core programs, an effort now underway. CDA expects to have public data dashboards on the number of older adults served by 2027.
Will CDA consider by including SSI/SSP participation among individuals age 65+ as the primary income indicator in place of the broader 60+ population at or below 200% of the Federal Poverty Level?	CDA has determined to use 60+ income (200% FPL), since SSI/SSP information age 65+ does not include all OAA eligible recipients. SSI/SSP was considered as a potential factor, but the group elected not to include it, favoring FPL instead.
Will CDA consider reducing the 20% rural weighting factor to 10% or less to correct for demonstrated service demand and population concentration rather than overcorrecting in favor of geographic designation?	In consultation with all 33 AAAs and C4A, CDA has opted for a formula that prioritizes vulnerable older adults in every part of the state which includes those who are geographically isolated at an equal percentage to other factors.
Are AAAs that don't spend their full allocation being punished with reduced funding?	The proposed Carry-over provision addresses the concern about AAAs that do not spend 90% or more of their annual allocation. Data over three years shows wide variation among AAAs with a low of zero ($0) unspent dollars and a high of $3.9 million. There is nothing in the proposed IFF that punishes or rewards AAAs for prior year spending.
Rural communities are sparsely populated, why is CDA prioritizing them?	Rural communities report persistent health disparities and access challenges. It is well documented that older adults in rural communities are more likely to live alone, are among the "oldest old," experience loneliness and social isolation at greater rates, and have the highest rates of suicide in the State of California. For these and other reasons, the OAA and OCA require special considerations for rural PSAs and AAAs.
Why is CDA updating the IFF now?	From conception to full implementation, the stakeholder process to update the IFF will span nine years from 2022 to 2031. The formula is being updated now to comply with

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	SB 1249 which requires an update by September 30, 2026, and to address the concerns outlined to Governor Newsom in ACL's September 2025 letter which notes the state's IFF is outdated and in need of review. Adopting the formula now allows all AAAs to plan and adjust before implementation begins in July 2029.
Are a majority of AAAs losing money with the new IFF?	Among 33 AAAs, 21 will see an increase and 12 are projected to see a reduction in funding though they are protected by the 2021-22 hold harmless provision.
How have groups other than AAAs been able to influence this process?	The CA2030 stakeholder process included public webinars and 80 stakeholder interviews; SB 1249 included public hearings on bill provisions, including the IFF; and CDA held public comment specific to the IFF in May 2026 generating over 250 public comments. The C4A and nine AAAs commented on the proposed IFF, suggesting that 240 comments were from individuals or other groups. CDA has presented to a variety of groups on this subject, including CSAC, CWDA, CCOA, and other interested parties.
How does the funding formula address language access and cultural competency?	Each AAA conducts its own local needs assessment and develops a local area plan to meet local needs. Many area plans specifically address the unique language access and cultural competency needs of their respective communities.
How will this formula impact Tribal populations?	With 109 federally recognized tribes in California, the state has the highest number of federal OAA Title VI grants in the nation at 35. CDA, in close collaboration with its Tribal Affairs Manager, is committed to tribal consultation and to building linkages between AAAs and Title VI grantees. The proposed IFF does not directly impact Tribal populations other than through the five proposed factors as they apply.